

Classical Consumer Lifestyle Segmentation Methods

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Abstract

In a globalized world the importance of a proper segmentation method for identifying target consumers has been increasing. Vast majority of the research in this area focuses on the usage or development of different techniques. Lifestyle is a good criterion for dividing people into groups which then can be better targeted. This article addresses the research question, which classical methods exist to segment markets with the aid of lifestyle. The purpose of this paper is to illustrate several instruments, such as A.I.O., Roper Consumer Styles, VALS-Method, the Sinus-Milieus, Sigma-Milieus, RISC-Method and Semiometrie but also Discriminant and Conjoint Analysis which proved of value in the past. Furthermore it deals with the benefits of this methods but weaknesses are also considered. Therefore several existing literature is examined, and information is collected by Institutes providing the typologies. Obvious is, that new methods e.g. predictive analytics already play a major role in marketing, because it can be found much literature about it. In the literature research also appear research implications, because besides the provided information from Institutes and Journals, there is hardly no data to find if and how companies use the instruments. Furthermore, some important databases cannot be scanned because they are not accessible without paying.

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Abbreviations

Abbreviation	Meaning
AIO	Activities, Interests, Opinions
CA	Conjoint analysis
CCA	Centre de Communication Avancé
CRM	Customer Relationship Management
GfK	Gesellschaft für Konsumforschung
RISC	International Research Institute on Social Change
SRI	Stanford Research Institutes
VALS	Values and Lifestyles

1 Introduction

It is well-known to segment consumers into target groups to work a market efficiently. But which instruments exist to do successfully? It is quite easy to find guidebooks who explain why segmentation is need to be performed. But it is much more difficult to find methods to carry this out. And if you find some it is even more complex to choose the method which suits you or your company best.

For this reason it is worth to carry out a research to find out which methods exist, how common and useful they are. Furthermore the 21st Century brought with it that the world became a huge market. And in this market companies are in an increasingly competitive environment. But it is increasingly impossible to deal with all customers on a mass consumption or 'one size fits all bases. Means, segmentation is the necessary first task in the process of setting marketing objectives and targets and the basis for effective planning, budgeting and control of marketing activities. It is also the basis for positioning, branding and communicating relevant information to targeted consumers.

Socio-demographic data e.g. age, gender, profession or income is easily to collect. But how can influences behind the aspirations and choices be identified? Especially this information is essential for companies to reach the right target group and who labor to be successful on international markets.

In the following report we find a state of literature of classical consumer lifestyle segmentation methods. Lifestyle segmentation is the combination of two concepts. One of the concepts is lifestyle patterns and the other one is market segmentation. In order to discuss the methods of life style segmentation, it is necessary to first examine briefly each component for its own. Hence, this research paper is broadly divided into three parts. Chapter 3 deals with the basic idea of market segmentation and its strategies. Second part (chapter 4) deals with the definition of lifestyle and how lifestyle was becoming important for segmentation. Chapter 5 and 6 include established instruments of market segmentation. Fourth and the last part concludes the article by providing some discussions on the benefit of the instruments and future segmentation methods.

2 Methodology

In this article the method which was followed, can be found in most of the literature reviews that include a critical analysis of the current body of knowledge. The identification of the relevant consumer lifestyle segmentation methods and information about how these instruments are used are the main constituents of the method. To identify the instruments, several journal articles and specialist literature were examined. The article selection procedure was based on different criteria. The first criterion was, that the studies should be of empirical nature. The second one was that the technique should have been used since a longer time because it should be a classic technique. The third criterion was that only articles where segmentation was the main purpose of the study were considered. The last one is associated with the publication type. Not only journal articles were examined, and publications in other forms, but also book chapters and research reports were included in the study. Hence, regardless of the publication date, all empirical studies were collected through the publication databases depending on the availability of the access to these databases.

3 Segmentation

3.1 Basic Idea of Customer Segmentation

As long as people have been selling products to one another there has been some form of marketing. Marketing management knows, that people and peoples are not homogenous and that there is no mean man. People are different and do things differently for diverse reasons. Therefore there is the necessity to identify these differences and form groups in such a way, that they can be understood better. And that is the reason why there exists a huge amount of literature defining marketing and about how to perform segmentation. Several authors, such as Kotler (2007) to mention a popular example, have been writing extensive books giving similar advice about how to work a market. In summary you can say: market segmentation is a marketing strategy which involves dividing a broad target market into subsets of consumers, businesses, or countries who have, or are perceived to have, common needs, interests, and priorities, and then designing and implementing strategies to target them. Market segmentation strategies are generally used to identify and further define the target customers, and provide supporting data for marketing plan elements such as positioning to achieve certain marketing plan objectives. But it also must be considered, that in a globalized world, segmentation is there to achieve greater efficiency in the supply of products to meet the identified demand and to increase cost-effectiveness.

3.2 Segmentation Strategies

It is without controversy that segmentation of the market is useful. The questions is now, what concepts are the most useful in segmenting the market? A discussion about approaches for segmentation of consumer market has been wide and detailed in literature since then. Plummer (1974) explains that there have been two general approaches to market segmentation. The one is “people” oriented, the other is “product” oriented. The people-oriented approach measures people with the help of demographics, social class, stage in life cycle, product usage, innovativeness and psychological characteristics, and then relates the groups to the product/ service. The product-oriented approach instead, has been created to measure product characteristics through consumers, in order to figure out the structure of the market. Irrespectively

of the level of detail, most often segmentation approach would fit into one of the following wide groups:

- 1) Physical attributes: segmentation based on geographic, demographic, social-economic attributes of consumers;
- 2) Psychographic attributes: lifestyles, values, interests, social behavior;
- 3) Proposition-related behavior attributes: anticipated benefits from product/service, usage occasions and intensity, brand loyalty.

Kotler (2007), in contrast, divides market segmentation variables into four major areas: geographic, demographic, psychographic and behavioristic.

For the sake of completeness the different strategies are explained in short.

With Geographic Segmentation customers are divided into groups on basis of geographic variables such as Region (by Continent, Country, State or by Neighborhood), Size of metropolitan area (segmented according to population size), Population Density or Climate. Means, when a market is segmented geographically, one is saying the customer's needs, or the ways fill those needs, vary geographically (Scharf, Schubert, & Hehn, 2012). However as Kucukemiroglu (1997) describes, global trade has changed substantially over the last decades, this rapid transformation has, in most cases, created enormous market opportunities for countries and industries around the globe. In view of this development it often does not make sense to form groups on the basis of geographic variables.

Common demographic segmentation variables include, Age, Gender, Family Size, Family Life Cycle, Income, Occupation, Education, Generation, Ethnicity, Nationality, Religion and Social Class. Over the years the use of demographic segmentation has been supported in several literature. Frank, Massy and Wind (1972) discuss various demographic characteristics and their use in market segmentation (Frank et al., 1972, pp. 29–42). But there are some problems researchers discuss about geographic segmentation. One of them is to segment whole markets. It is difficult to segment a market if the market does not clearly exist. But if some segments are identified, this strategy is often good to describe these segments (Beane & Ennis, 1987, pp. 20–21).

With Psychographic Segmentation Customers are divided into groups on the basis of their psychographic criteria which are Interests, Activities, Opinions, Values and Attitudes, determining their and personality profile.

Because lifestyle refers to the way in which people live and spend money, consumers psychographic profiles are derived by measuring different aspects of consumer behavior such as:

- Products and services consumed
- Activities, interests and opinions
- Value systems
- Personality traits and self-conception
- Attitude towards various product classes

Persons of the same demographic group can manifest different psychographic profiles. This way of segmenting people is a more difficult way, because we are no longer look at clearly definable, measures but have to investigate social class and style of living.

Wells (1975b) calls psychographics a quantitative attempt to place consumers to dimensions. The psychographic description does not look at the outward expression of a person but at the inner person.

Life-style segmentation is also discussed by Plummer (1974) who is saying that life style segmentation does a better job than demographics alone. He states that "...the basic premise of life style research is that the more you know and understand about your customers the more effectively you can communicate and market to them..." (Plummer, 1974, p. 36). In his opinion life style segmentations are a combination of demographics and psychographics. Different examples are given by Loudon and Della Bitta (Loudon & Della Bitta, 1979). They give examples of how new products were successfully positioned in the market using information from life-style segmentation studies. Wells has done a lot of research into psychographics. Wells and Tigert (1974) indicate that psychographics (activities, interests and opinions) can describe target markets and product users. Well's (1974) book covers many general subjects on this topic and is often cited. To be examined detailed in topic "Classical Consumer Life-Style Methods".

Behavioral Segmentation is Kotler's fourth group of strategies, based on actual customer behavior towards products. This includes areas as Purchase Occasion, Benefits Sought, Usage Rate, Brand Loyalty, User Status and Readiness to buy. In short, consumers are segmented based on knowledge of the product, attitude or response to the product (Beane & Ennis, 1987).

Demographics or Geographics on their own do not give a complete picture of the consumer. By implying psychographics' information with demographics, the marketer will better understand the wants and needs of the consumers. Psychographics was a term first introduced by Demby (1974) putting together psychology and demographics. Psychographic or Lifestyle refers to consumers' Activities, Interests and Opinion (AIO). More specifically it focuses on what people like to do, what their areas of interests are and what the opinion are people hold on various matters.

The outcome of this is that, in segmenting markets and understanding target customers, lifestyle is an important concept. Many researchers have focused on identifying the lifestyle of the consumers' to have better information about them. This paper deals with the methods used in lifestyle consumer segmentation. Discussed the approach of segmentation it is necessary to examine the second component of lifestyle consumer segmentation – the lifestyle.

4 Lifestyle

According to the Austrian psychologist Alfred Adler, each individual is unique but there are still similarities among individuals and their lifestyles.

This construct illustrates the role of lifestyles and values as determinant factors for consumer choice and expands earlier models by fitting the lifestyles in. Lifestyles are driven by underlying social values and thus the manifestation of the lifestyles is more visible making them attractive for segmentation. On other hand, lifestyles are more situational which might challenge the strategic decisions in longer term (Kaže & Škapars, 2011).

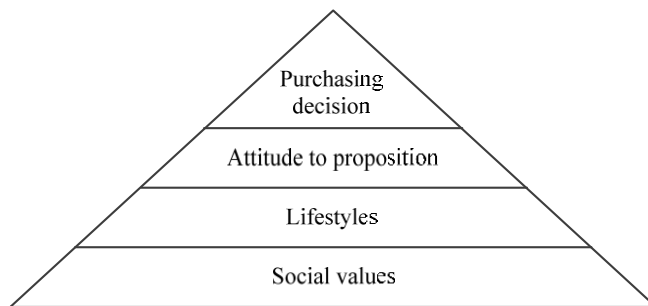


Figure 1: Consumer purchasing behavior process

Adopted from: (Kaže & Škapars, 2011)

Pilstl gives a good explanation for lifestyle already including its benefit for segmentation explained in two examples:

Lifestyle basically means the way that individuals, families and societies live. Lifestyle is exhibited in the consumers' buying and consumption behavior, as a specific lifestyle includes specific needs and desires which influence a consumer's buying decisions. Furthermore, the economic level at which people live is also a part of their lifestyle. Lifestyle also includes the behavior concerning relationships, self-image, entertainment and clothing. A specific lifestyle is reflected in the product and service range a customer buys, even a brand can be related to a lifestyle of person.

Consequently today lifestyle is generally defined to comprise both characteristic patterns of evident behavior and cognitive processes and properties, including such dimensions of personality as values, attitudes, opinions, and interests.

And more. Lifestyle is a part of the general consumer characteristics, specifically in the psychographic division. Psychographic segmentation includes variables concerning social class, lifestyles, personality and others. However, people from the same social classes and professional categories can have a completely different lifestyle. A market segment based on demographics can include different psychographic profiles. How the approach of using lifestyle in market segmentation was developed is outlined in the following chapter.

4.1 Evolution of the Lifestyle Concept in Consumer Behavior

For Marketers the lifestyle of individuals has always been interesting. It deals with facets oriented on behavior of people as well as their feelings, attitudes, interests and opinion. People sort themselves into groups on the basis of the things they like to do, how they like to spend their leisure time and how they choose to spend their disposable income which is recognized by a lifestyle marketing perspective.

Bell (1958), Rainwater, Coleman and Handel (1959), and Havinhurst and Feigenbaum (1959) introduced the lifestyle concept in the consumer behavior literature at the end of the 1950s, referring to its potential significance in understanding, explaining and predicting consumer behavior and also its importance as a focus for marketing strategy. The symbolic contextual significance of consumption was underlined by Bell (1958). Rainwater, Coleman and Handel (1959) stressed the importance of interpreting shopping and consumption behavior in their broader lifestyle context.

A central theme through the marketing literature is the conception that lifestyle involves characteristic patterns of behavior. The definition of Berkman and Gilson's (1978) is only one representative example for various interpretations of lifestyle.

Lifestyle may be defined as unified patterns of behavior that both determine and are determined by consumption. The term "unified patterns of behavior" refers to behavior in its broadest sense. Attitude formation and other types of subjective activity are not readily observable, but are behaviors nonetheless.

Lifestyle is an integrated system of attitudes, values, opinions and interests as well as overt behavior (Berkman & Gilson, 1978, p. 497).

This chapter provides a comprehensive review of definitions of lifestyle appearing in the marketing literature. Perhaps the most noteworthy observation is the preponderance of references purporting to be lifestyle research which provide no explicit definition of lifestyle at all. This is why there is preceding a chapter about defining lifestyle on its own.

5 Segmentation by psychographic characteristics and lifestyle

Life Style Segmentation can create identifiable whole persons instead of isolated fragments. It begins with people in place of products and classifies them into different life style types. Each is characterized by an inimitable style of living based on a broad range of Activities, Interests and Opinions (Plummer, 1974).

Lifestyle Segmentation can be seen as further development of Psychographic Segmentation. They also can include variables of the demographic and behavioristic Segmentation by what they can be more significant. Classical Consumer-Typologies basically differ in the combination of various lifestyle-characteristics.

Although lifestyle-typologies find favor in praxis, there are only few well-established Methods being drafted by publishers and market research institutions and spread in literature.

5.1 A.I.O as instrument for lifestyle segmentation

The most widely used approach to lifestyle measurements has been activities, interests, and opinions (AIO) rating statements. The focus of marketers and consumer researchers has generally been on identifying the broad trends that influence how consumers live, work, and play. It allows a population to be viewed as distinct individuals with feeling and tendencies, addressed in compatible groups (segments) to target them more efficiently.

According to Kesting and Rennhak (2008) there is not only the so called AIO-Method. Hence, the lifestyle is represented by a combination of Activities, Interests and Opinions. It is the so called AIO-Method. Early lifestyle segmentation studies (as described earlier) operationalized the lifestyle construct covering the three parts.

The authors say there is a second way of segmenting a market based on lifestyle. One possibility is to determine the lifestyle on the basis of products being purchased. This concept is based on the assumption, that consumption behavior reflects the lifestyle of customers and is explained in chapter 2.8. Of more significance, however, is the first concept.

Table 1: Lifestyle-Dimensions

Activities	Interests	Opinions
Work	Family	Themselves
Hobbies	Home	Social Issues
Social Events	Job	Politics
Vacation	Community	Business
Entertainment	Recreation	Economics
Club Member	Fashion	Educations
Community	Food	Products
Shopping	Media	Future
Sports	Achievements	Culture

Adapted from: (Wells & Tigert, 1974)

Especially William D. Wells and Douglas J. Tigert are representatives of the AIO approach. They designed a questionnaire with 300 AIO statements and conducted a research with 1000 questionnaires. The statements of Wells and Tigert covered a lot of topics, for instance arts, clothes, cosmetics, opinions, and so forth. Respondents were asked to evaluate how much they agree or disagree with a given statement. AIO's give a more descriptive and detailed insight compared to an analysis solely based on demographics (Wells & Tigert, 1974).

It also can be seen, that most AIO studies include demographic variables and normally consist of 200 to 300 statements. Usually, a data reduction technique such as factor analysis is first used to translate the large battery of items into a small, more meaningful and interpretable number of underlying psychographic dimensions. As said, in an early study Wells and Tigert used 300 Likert-Types items that were then factor analyzed and reduced to 22 lifestyle dimensions.

Then the underlying dimensions are used in two types of application. They may be used directly as the basis for post-hoc lifestyle segmentation, as inputs in cluster or mixture models. Here the intentions is to use psychographics as a segmentation basis and create a typology of consumers in terms of their lifestyles. A different application for the underlying psychographic dimensions is in describing market segments gained by a priori segmentation on a different basis, such as buying behavior, demographics etc. Here the objective lies in using lifestyles to discriminate among segments obtained from different bases, thereby to produce a profitable profile of their members.

Some researchers, instead of using the broad range of AIO's listed above, have used more specific items defeating AIO associated with aspects of life more directly related to the product or brand under study (Ziff, 1971).

In order to implement a successful customer research for the creation of lifestyle typologies, qualitative research tools such as depth interviews or focus groups are very helpful in the first stage (Thomas, 2011). In the second stage, quantitative research needs to be done to size segments ("How to use qualitative research for market segmentation," 2011). The questionnaire should include different sections about AIO, behavior, attitudes, perceptions, values, media consumption, and so forth. It is necessary to have a large sample of customers (1000 or more) for a representative outcome. As the questionnaire most probably has a length of 45 to 90 minutes, research should be conducted in personal interviews, Internet-based interviews or mail surveys (Thomas, 2011).

Activities include hobbies, sports, work, entertainment and social events. Furthermore shopping, holidays and clubs are included. A statement in a questionnaire could be "I often listen to popular music." Other statements could be "I often go to art exhibitions", "I often watch movies at the cinema", "My work is my life", "I often work from home", "I enjoy going skiing in winter", "I often exercise in a fitness studio" and more.

Interests are composed of family, food, house and fashion (Kotler et al., 2007). Job, recreation and media are as well included in this section. An example could be "I am very interested in the latest fashion trends." Other statements could be "Family is the most important thing in my life", "I am interested in trying new food", "I only read online newspapers", "I am very interested in my job", "I am very interested in furniture trends", and more (Altobelli, Berndt, & Sander, 2010).

Opinions contain education, social issues and politics. Also the opinion about themselves, products, the economy, future and culture are included. A statement could be "A woman's place is in the home." Other statements could be "Men and women should share parenting", "Students should pay tuition fees for universities", "Kindergartens should be free for everybody", "I am a very confident person", "The economy overcame the crisis very well", "The state should increase their financial support for cultural events", and more.

The AIO approach does not include lifestyle clusters itself, but serves as a basis structure for the development of lifestyle groups. There are various methods clustering people based on lifestyle. The French company Centre de Communication Avancé (CCA) and the Europanel institute for instance created 16 “Euro-styles” – described in detail in a separate chapter – based on AIO (Kotler et al., 2007).

5.2 Post-hoc segmentation with lifestyle clusters based on A.I.O-Approach

5.2.1 The Euro-Socio-Styles

In the Beginning of the 1970s the CCA (Centre de Communication Avancé) developed a Typology named “Socio-Styles” under the direction of Cathelat; an advancement by this approach is today used by the market research institute GfK. GfK Group is a market research company based in Nuremberg, Germany. It covers more than one hundred countries and operates in custom research, retail and technology and media.

The original model by Cathelat is seen as a synthesis of known psychological, cultural and sociodemographical instruments (Cathelat, 1993).

In the first study between October 1989 and spring 1990 3500 variables were collected for various areas which are relevant for lifestyle. The basic data collection from 1989 is repeated twice and adapted at changing conditions. The keynote by ESS (Euro-Socio-Styles) is, that value systems – transnational and independent by age or social graduation – are being concentrated to determined lifestyles. There is no homogeneous European consumption behavior, however there are single consumption styles, who are comparable in the countries. For example the Style by the „Adventurer“ in Germany is comparable to the „Adventurer“ in France.

Basis of this method is the annual survey of 100,000. Contents of this survey are lifestyles, attitudes and consumer habits. As described above the GfK lifestyle research graduates people in four types of values groups, these groups are subdivided again into eight types of lifestyle segments with specific values and expectations. To describe one as example:

“...Young, dynamic, opportunistic people of humble origin (Crafty World): They are looking for success and material independence (Cathelat, 1993).

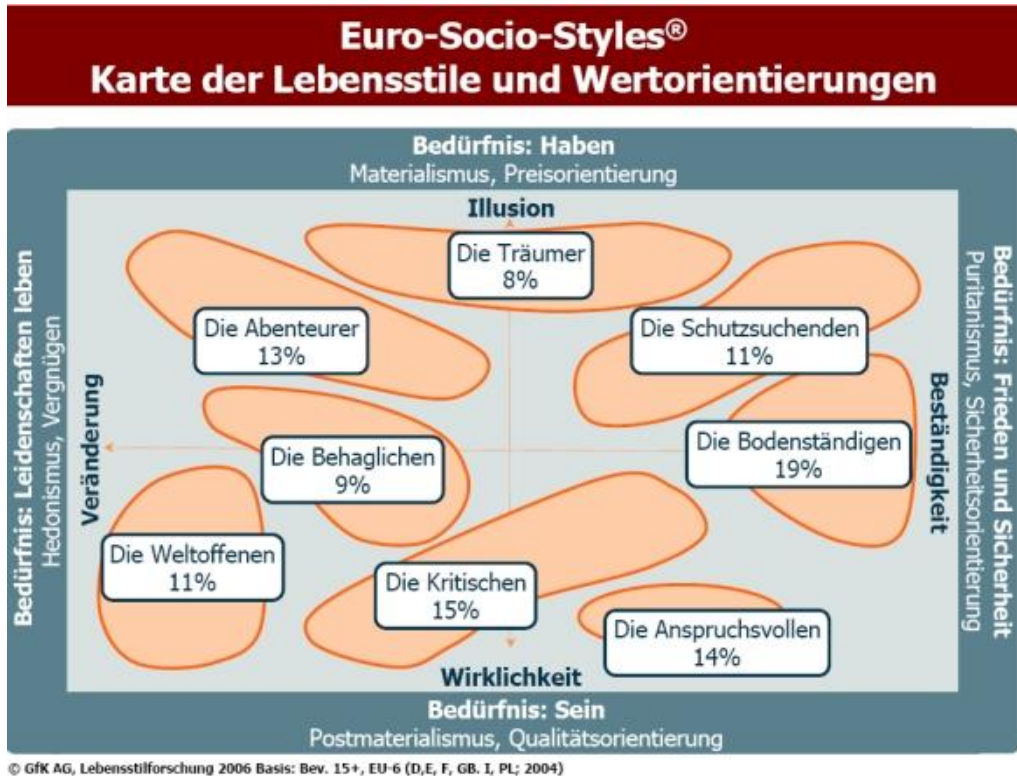


Figure 2: Euro-Socio-Styles
Adapted from: ("Euro-Socio-Styles," 2004)

The lifestyles are shown in a sort of map as you can see in the figure. Inside of these feature space the extreme positions, regarding to attitudes and behavior, are visible through opposed poles. Within the time only the number of represented lifestyles has changed. Currently there are shown eight different lifestyles. The horizontal axis corresponds the contrast of „change“ and „stability“. The vertical dimension is differentiated by material goods and immaterial values. The strengths of this model is that it

is used in 26 countries in Europe. Moreover there exist lots of links to real consumer behavior which is also positive (Förster, 2009).

5.2.2 GfK Roper Consumer Styles

Roper Consumer Styles are based on the Euro-Socio Styles of GfK, but have been further developed and have now a different information basis. The Roper Reports Worldwide – named after the U.S. market researcher Roper Elmo – is a consumer analysis of the GfK group and serves as a data basis for the Roper Consumer Styles. This lifestyle market segmentation concept supports the target group selection, product development and testing, the company's media strategy, the positioning of brand or company and analysis of product preferences ("GfK Roper Consumer Styles," 2011).

Pilstl gives a good overview about how the GfK collects the data and how they illustrate it for Roper Consumer Styles.

Values and consumptions patterns are the main variables of the GfK Roper Consumer Styles. Every consumer style is in every country and the typology is available for 40 countries already. Consumers are driven by the same values and goals, therefore the Roper Consumer Styles are applicable across borders. National differences are reflected in the different sizes of the lifestyle types. For instance there are 10% of open-minded consumers in Russia, 15% in Japan and 16% in Spain (Pilstl, 2011).

In more than 30 countries, GfK interviewed 40.000 consumers in regard of the most important aspects of daily life. Moreover, GfK does national analysis as well, for instance in Germany, where they analyzed more than 50.000 consumers. As GfK also conducts household and consumption panels the Roper Consumer Styles can be observed in combination with global consumer behaviors and can be directly related to consumption data (Pilstl, 2011).

On the lifestyle card, consumers are polarized into four groups according to their value systems and preferences: For example, the materialistic target groups will include those who, by their own admission, are "protective comfort buffer seekers" and "dreamers" after material wealth. At the opposite end of the scale is the "critical" post-materialistic group, for whom education and sustainability are what counts.

Closely aligned to them are the individualists and design-oriented "open-minded" groups. Directly opposed to the more hedonistic groups inclined to taking greater risks, such as the trend-conscious and physically-aware "adventurers", are the puritans. This is a consumer group which includes both the "well-grounded" who need harmony and security and the environmentally-aware "realists", who allow themselves plenty of time for extensive brand comparisons before they decide to buy.

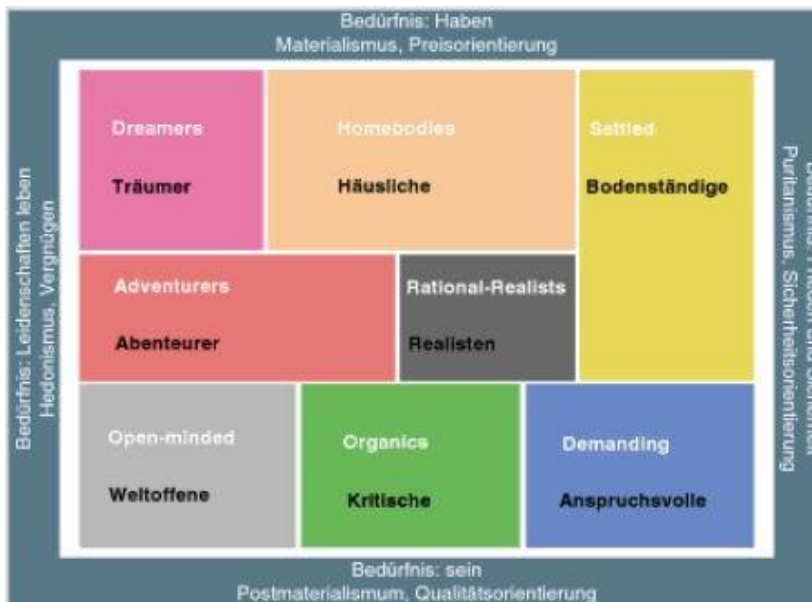


Figure 3: GfK Consumer Styles
Adapted from: (Altobelli et al., 2010, p. 126)

Kaže and Škapars (2011) say that some of the operationalized tools however are not public domain but proprietary systems owned by businesses. Roper Consumer Styles (RCS) is commonly applied by FMCG industries as it represents hands-on intuitive and internationally validated consumer segmentation – it enables the interpretation of value systems and consumer behavior by mitigating cultural differences issue by varying sizes of segments for each country individually covering already over 40 countries. Another advantage of RCS is concise questionnaire which enables simpler integration of different studies via this dimension.

Altobelli et al. (2010) say that the use of GfK Roper Consumer Styles is beneficial for companies, as a market covering is possible across borders in a standardized and integrated way. Moreover, costs can be reduced with a more specific targeting strategy resulting from efficient lifestyle market segmentation. A downside of the Roper Consumer Styles is that an extensive data research is necessary, which is costly and time-intensive. Furthermore, general consumer typologies are not relevant for all products and services. And a classification into a lifestyle segment does not necessarily mean, that a company can predict the consumers' buying behaviors exactly.

5.2.3 VALS™ -Method

This concept is one of the most popular lifestyle market segmentation concepts. VALS™ means values and lifestyles and is the new concept after the first VALS™ program in 1978. It was launched in order to reflect the changing lifestyles and outdated information. Whereas attitudes and opinions can change fast, values change in a more long-term way over generations.

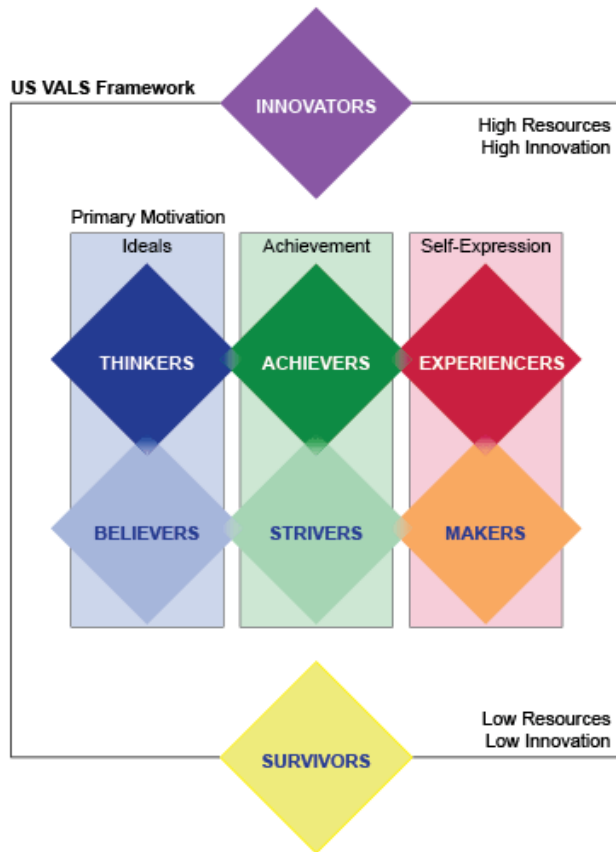
Michman, Mazze and Greco (2003) say that it was created by Strategic Business Insights, the formerly called Standford Research Institutes (SRI), in 1989. VALS™ is a consumer psychographic segmentation tool, which classifies customers in the United States in eight different segments. The concept combines psychological attributes with demographics in order to explain customer behaviors and decisions.

As consumer attitudes evolved in the late 1980s, the VALS ability to predict consumer behavior on the basis of attitudes and lifestyles weakened. Recognizing that the basis of the system needed to move to a more enduring platform to remain relevant, a team from SRI International, Stanford University, and the University of California, Berkley, determined that psychological traits are more stable than societal trends and shared values and beliefs to explain and predict consumer behavior.

Following a two-year development and validation effort, a new VALS launched in 1989. Still grounded in the philosophy that psychological traits and demographics are more powerful than demographics alone, VALS now uses psychology to describe the dynamics underlying consumer preferences and

choices. VALS incorporates a resource dimension because a consumer's resources constrain or enhance the consumer's ability to express himself or herself in the marketplace ("VALS," 2015).

VALS™ segments US adults into eight distinct types—or mindsets—using a specific set of psychological traits and key demographics that drive consumer behavior. The US Framework, a graphic representation of VALS, illustrates the eight types and two critical concepts for understanding consumers: primary motivation and resources. The combination of motivations and resources determines how a person will express himself or herself in the marketplace as a consumer. VALS assigns individuals a VALS type on the basis of their responses to questions in the VALS Survey. VALS-typing populations of interest, such as customers or constituents, is the first step in a VALS approach to achieving strategic marketing and communication goals. VALS uses proprietary psychometric technology to measure concepts that—researchers have proved empirically—correlate with consumer behavior. The inherent stability of VALS 20 years after its development is testimony to the theories of the development team ("VALS," 2015).



www.strategicbusinessinsights.com/vals
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Figure 4: VALS Segments
 Adapted from: ("VALS," 2015)

A person's tendency to consume goods and services extends beyond age, income, and education. Energy, self-confidence, intellectualism, novelty seeking, innovativeness, impulsiveness, leadership, and vanity play a critical role. These psychological traits in conjunction with key demographics determine an individual's resources. Various levels of resources enhance or constrain a person's expression of his or her primary motivation. Innovators for example are successful, sophisticated, take-charge people with high self-esteem. Because they have such abundant resources, they exhibit all

three primary motivations in varying degrees. They are change leaders and are the most receptive to new ideas and technologies. Innovators are very active consumers, and their purchases reflect cultivated tastes for upscale, niche products and services. Image is important to Innovators, not as evidence of status or power but as an expression of their taste, independence, and personality. Innovators are among the established and emerging leaders in business and government, yet they continue to seek challenges. Their lives are characterized by variety. Their possessions and recreation reflect a cultivated taste for the finer things in life (“VALS,” 2015).

Demographic and Behavior Snapshots Highlight the Vibrancy of Using VALS™

Primary Motivation	Ideals			Achievement		Self-Expression		
Psychological Descriptors	Innovators Sophisticated In Charge Curious	Thinkers Informed Reflective Content	Believers Literal Loyal Moralistic	Achievers Goal Oriented Brand Conscious Conventional	Strivers Contemporary Initiative Style Conscious	Experiencers Trend Seeking Impulsive Variety Seeking	Makers Responsible Practical Self-Sufficient	Survivors Nostalgic Constrained Cautious
	Percent of Innovators	Percent of Thinkers	Percent of Believers	Percent of Achievers	Percent of Strivers	Percent of Experiencers	Percent of Makers	Percent of Survivors
Total U.S.	10	11	16.5	14	11.5	13	12	12

Figure 5: VALS™/Mediamark Research & Intelligence, LLC Fall 2008

Adapted from: (“VALS,” 2011)

The graph above shows the main psychological descriptors of each of the eight VALS™ segments and furthermore the percentage of United States’ citizens in each consumer group.

Due to Valentine and Powers (2013) the instrument was later reduced to 400 questions and renamed VALS 2. Further revisions have resulted in an extensively adopted VALS 2 questionnaire that contains only 35 psychographic questions and four demographic questions. These questions were identified through statistical and theoretical means, including various specific and general attitude statements and several demographic items. These questions are used to classify people into life style groups, or VALS type. VALS 2 creates a segmented profile of consumers because it is based on a questionnaire that reveals unchanging psychological stances rather than shifting values and lifestyles (Riche, 1989). VALS 2 can predict consumer behavior, and is designed to look for specific relationships between attitudes and purchase behavior.

VALS 2 divides the American population into groups as defined by their self-identification based on a variety of attitude and lifestyle questions; and their resources based on their household income.

Being introduced in 1978 it was criticized by academic consumer researchers, not only for its questionable validity or reliability, but also for the secrecy of its conceptual development and methodology, which prevented researchers from testing it. Nevertheless, the VALS system was well received in the popular press for its colorful descriptions of consumers in terms of their cultural and societal values. The critics granted that the VALS typology, given its basis in social values, was helpful in developing and executing advertising messages tailored to the intrinsic motivations of the target consumer. While the criticisms were circulating, a new VALS typology (VALS2) was under development to address many of the concerns. VALS2 departs from the original system in two ways. First, in contrast of the original typology based on the hierarchy of social values, VALS2 starts from multiple personality constructs. Second, the typology was developed with explicit consideration of buying behavior. The starting point for VALS2 was a large survey (400 items) of more than 2,300 consumers measuring 65 psychological constructs, including a wide range of personality traits and interests. In a second survey, the psychological constructs were combined with respondents media behavior and consumption patterns over 170 product categories; items that did not correlate with behavior were eliminated, leading to a final scale with four demographic (age, education, income and sex) and 4 psychographic items measuring intellectual, status and action orientation. The new VALS2 defines lifestyle segmentation along two constructs: self-orientation and resources. Even though the new typology started from measurement of personality, demographics and interests, its main dimension, self-orientation, refers to consumers' three basic motivation: principles or beliefs, status and action. VALS2 defines eight segments. But just six remain and are clearly defined on self-orientation and resources as shown below:

Table 2: VALS2 Segments

Principle oriented	Status oriented	Action oriented
Fulfillers	Achievers	Experiencers
Believers	Strivers	Makers

Adapted from: ("VALS," 2015)

VALS typology is often used not to define the market segments for a brand or a product, but to better describe segments formed a priori on another basis. The purpose generally is to obtain a better understanding of the segments formed on another basis. For example, segments may be formed first on the basis of brand usage, and then described according to the VALS typology.

Aside from the typology of eight lifestyle segments, VALS2 provides information about the images and words that most appeal to members of each segment. Therefore, once the target market for a brand is identified in terms of the VALS2 typology, its manager can choose the images and words that best reflect the motivations of the members of that group in an attempt to produce more effective promotional messages. Critics of VALS2 system still argue that only a small portion of a brand's target market will fit into a single VALS2 group, leading to a multiple messages for the same target market.

VALS segments being country specific, raises a question about the link between values and cultural factors – if the same models are applicable in structure and contents to any environment. Hofstede's VSM suggested that individual values are influenced by the culture while four universal dimensions were contained in the model. (Hofstede, 1980) Studies in over 50 countries revealed the differences in cultural and economic behavior and suggested the relevance of locally adapted methodologies for segmenting individuals which is also empirically confirmed in later consumer research (Kaže & Škapars, 2011).

Marketers have put to good use this concept which is based on the idea that individuals pass through a number of developmental stages" with each stage affecting the person's attitudes, behavior and psychological needs.

As the preceding portraits have revealed, VALS can be used to identify target market characteristics and usage, guide executional and strategic approaches.

5.2.4 The Sinus-Milieus®

Sinus-Milieus are the result of about 30 years of social science research. This target group segmentation is based on an analysis of everyday life within our society and

groups together people with similar attitudes and ways of life. Attitudes to work, family, leisure, money and consumption all play a part in the analysis as well as basic values.

Since the early Eighties, Sinus-Milieus have been deployed not only by leading brand product manufacturers and service companies for their strategic marketing, product development and communication but also by political parties, ministries, trade unions, established churches, and associations. Major media companies have been working with them for years, as have advertising and media agencies ("Sinus Milieus in Germany," 2010).

It is important for a model to constantly undergo updates to keep up with changing values which is done by sinus institute. This takes place on the basis of Sinus Trend Research and on-going research into people's lifeworlds. Following the update undertaken in 2010, the Sinus model now comprises ten restructured milieus, of which the largest in terms of numbers may be further differentiated if need be ("Sinus Milieus in Germany," 2010).

Because it is impossible to delimit lifeworlds as closely as social strata, the boundaries between the milieus are fluid, as you can see in Figure 5. Sinus Institute is referring to this as "...the indeterminacy principle of everyday reality..." ("Sinus Milieus in Germany," 2010). And actually, one of the fundamental features of the milieu concept is that there are points of contact and transitions between the milieus.

This overlap potential and the position of the milieus within society are visualized on the following chart, where the latter are plotted according to social status and basic values: the higher the location of the milieu in this chart, the higher the level of education, income and occupational group of its members; the further to the right its position, the more modern their basic values in a sociocultural sense ("Sinus Milieus in Germany," 2010).

Similar to the GfK lifestyle research education, income, origin and wealth and value orientation as well as consumer habits are listed as segmentation criteria and people who have similar needs, lifestyles and values, are classified into groups. The Sinus-Meta-milieu Germany are divided into 4 types of milieu – social milieu, traditional milieu, mainstream milieu, hedonistic milieu.

The table below shows the results of the segmentation of Germany in 2010.

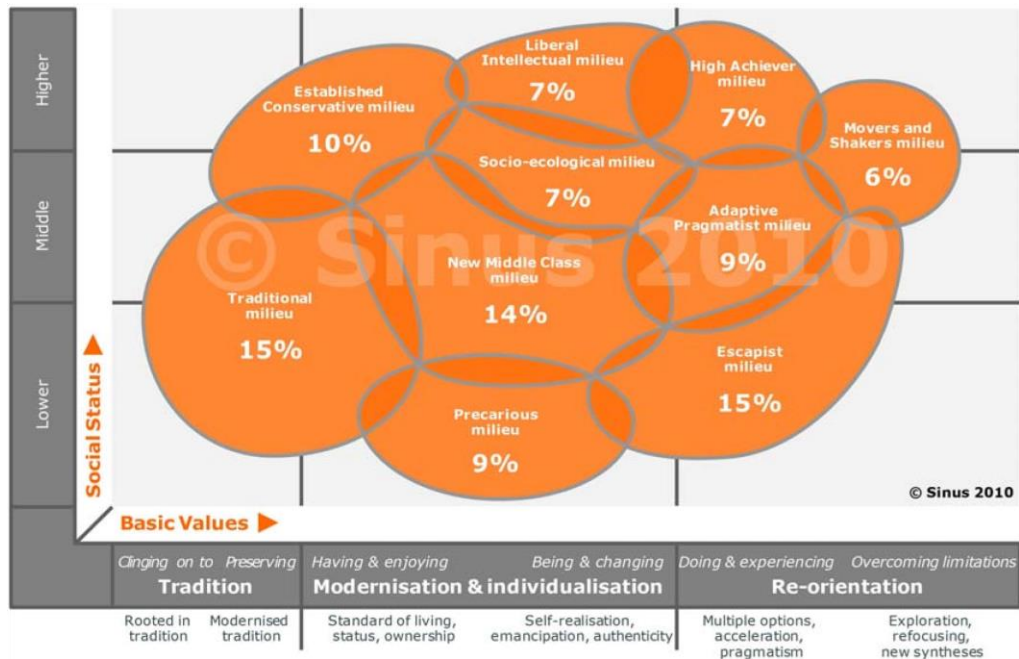


Figure 6: Sinus-Milieus® in Germany 2010
Adapted from: ("Sinus Milieus in Germany," 2010)

To explain one segment as example it is taken the social milieus including: established and post-materialists and modern Performers.

"...The three social milieus are characterized by a modern and reoriented attitude and high social status. The milieu of the established forms the well-off, educated elite, which can afford the luxury because of their good financial situation. The main values of the post-materialist are education, intellect and creativity. They often educate themselves and have a very environmentally and health-conscious behavior. The modern performers represent the unconventional power elite under 30, which often befall independence due to their ambition. They like to experiment, want to take advantage of opportunities and are especially interested in other cultures..." ("Sinus Milieus in Germany," 2010).

The sinus milieus have lots of benefits. First of all, validity is given because the model refers to everyday knowledge and everyday actions of people. Moreover the sinus always observes trends and verifies the model when necessary. Furthermore sinus milieus are a common used instrument to determine milieus so they are an efficient method.

5.2.5 The SIGMA Milieus®

SIGMA Milieus® reflect the psychological predisposition of customers and link them to the acceptance or rejection of products and makes.

Not only the various Milieus have remained stable over time, but they have proven to be highly selective.

The consumer cultures which are defined by the Milieus can be found all over the world. SIGMA offers the SIGMA Transnational Consumer Cultures® for Europe and the corresponding models for the US, Japan and Mainland China ("Sigma Milieus," 2010).

To purchase something is influenced by a network of different aspects. One of the two founders of SIGMA is Jörg Ueltzhöffer. The research approach systemizes the diversity of everyday life worlds. The milieus describe people and their specific attitudes and life orientations. Moreover they outline social groups, who have sufficiently similar value orientations, goals in life, lifestyles and also their basic method of consumption. The goal of the milieu analysis is to "...paint a complete picture..." of people, as a network of many different influences, which, analyzed independent from each other, could never adequately describe behavioral attitudes.

The beginning for this idea, was to give consumers the possibility to display their subjective reality with freedom independent from any external influence. The interviewee himself has to describe what is important in his life, what only interests him insignificantly or does not interest him at all. He describes the everyday life world from his point of view and can get a view inside in his life to show what his subjective reality in fact looks like. On basis of this information then "statement clusters" can be developed. And with those one can form individual research segments ("Sigma Milieus," 2010).

To measure social status against basic value orientation can be an effective way to depict these milieus. In the figure that shows the milieus below, the social status value orientation, depicted on the horizontal x-axis, "...represents the textual classification of the social groups, like different lifestyles, desires and goals, spirituality/religion, attitudes towards work, efficiency and much more describes the formal classification as a summary of the objective (mostly demographic) characteristics, e.g. level of education, job, income etc..." (Ascheberg, n.a.).

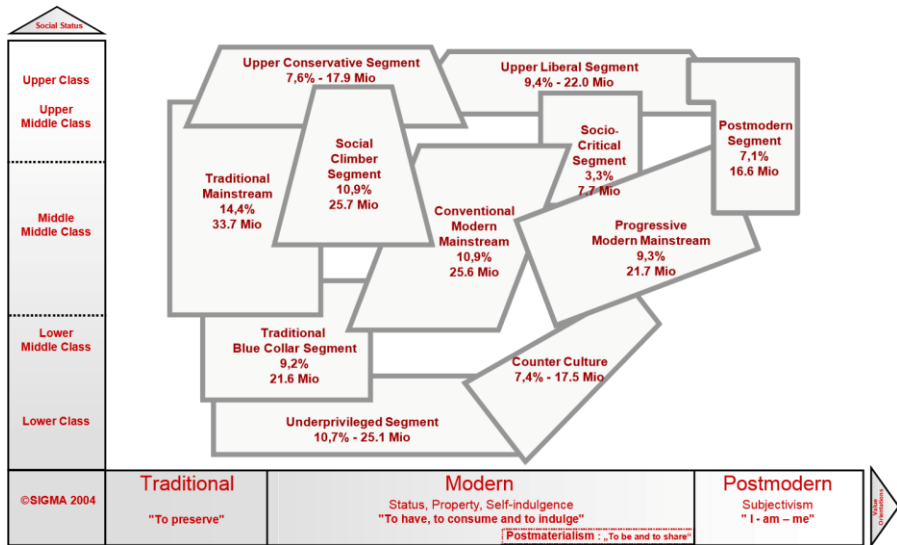


Figure 7: Sigma-Milieus in Europe 2004
Adapted from: ("Sigma Milieus," 2010)

In Germany Milieus are derived from this, which, over time, have proven to be stable and clearly distinct from each other. A currently commissioned study has proven this once again: 2000 people in Germany, which were interviewed and classified in regards to their milieus in 1999/2000, were once again contacted 5 years later, once again classified according to their respective milieu and at the same time were asked about changes that had taken place in their

lives. Luckily, more than four fifth of those who were contacted participated. As was to be expected, people's circumstances in life had drastically changed: People got divorced, since had to tackle unexpected economic problems or had gotten ahead further in their careers than expected, were single again or had since bought a house with a garden and had started a family. And still: Roughly 3/4 of the people in question remained completely stable in regards to their value orientation and their place in the respective SIGMA Milieu®, the others for the most part into the closely neighboring milieus. It was interesting though, that most of the milieu switches occurred in the direction of modern milieus, thus these individual milieu switches reflected the general modernization process in society (Ascheberg, n.a.).

The stability and validity of this model is a great benefit. This is why a large number of companies, especially from the ranks of the globally active automotive industry like the BMW Group, DaimlerChrysler, GM, Honda or the Volkswagen Company today use the SIGMA Milieus®, especially when it comes to detecting trends and subsequently launching the appropriate product developments and positioning new models.

As Ascheberg (n.a.) says:

The fact that, over time, people continuously are part of specific milieus, as well as the stability of the milieus, does not only prove the practical relevance of this model (people do don't change their general view of life on a yearly basis) but is also the prerequisite to serve as a marketing basis for ongoing product development: Non one can build target groups, which continuously change in terms of complexity and interpretation. On the other hand, the continuity of model and method is also a prerequisite for being able to detect anomalies and changes in attitudes and behavior quickly, and with a high degree of certainty .

5.2.6 RISC

1984 the French market research company „International Research Institute on Social Change (RISC)“ developed an autonomous lifestyle typology. International investigations for Europe, the U.S., Asia and South America comprise transnational variables on the one hand, and variables who only fit for single nations on the other hand. In

total 140 statements to philosophy and consumption behavior are considered leading into 43 social trends.

Interviewees are placed in a tridimensional space, in which every individual takes a determined position. The dimensions are characterized by three poles: Exploration and stability, society and individuality such as local and global orientation. Crystals are built from 10 areas with the task, to illustrate the cloud of points. The letters L and G point out the local (L) or global (G) orientation of the persons with this kind of lifestyle.

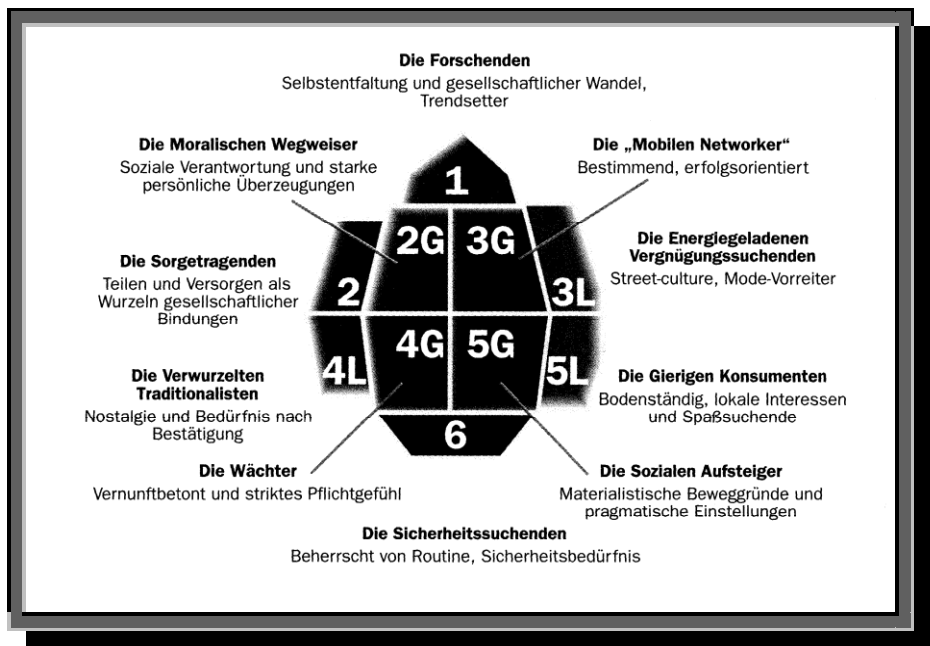


Figure 8: RISC-Crystal
Adapted from: (Förster, 2009)

In this typology does not exist a connection to a special social stratum as it does in Sinus-Typology or VALS. Therefore the model is difficult to interpret without comprehensive explanation. Being used often in the 1990 in Germany, the number of uses decreased within the last few years (Förster, 2009).

5.2.7 Semiometrie

Semiometrie is a so called psychodiagnostic method and measuring attitude of values from people on the basis of 210 chosen terms. They picture the range of experiences humans can have including objects, characteristics, activities, feelings and cultural activities. The terms are linked to experiences, which are used as indicators for value samples. An interviewee rates the terms on a scale with seven levels from „very pleasant“ to „very unpleasant“, depending on personal associations with the word. The lifestyle is obvious through value orientation. The Institute TNS Infratest has been offering this method since 1998. Both extreme positions „Sociality“ and „Individuality“ are analogue to „Society“ and „Individuality“ by the model of RISC (‘‘TNS Infratest - Marktforschung für Wachstum,’’ n.d.).

Basically you can say that the arrangement of the words in the value system remains identic. The presentation of a persons living environment is being carried out by over- or underestimation of terms compared to main unit. Moreover every interviewee can be allocated to one of the 13 value field. Motives, attitudes and ideals are represented by terms and can summarize Individuals to group such as „Culturals“ or „Materialistics“ as it is done in conventional lifestyle typologies.

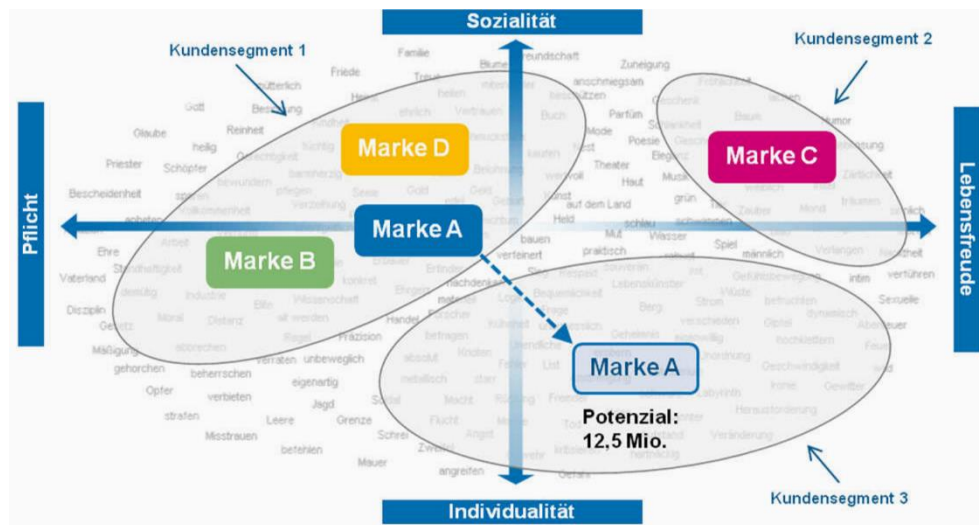


Figure 9: Semiometrie

Adapted from: ("TNS Infratest - Marktforschung für Wachstum," n.d.)

Semiometrie is different from Sinus Method or Euro-Socio-Styles. Because it is not about segmenting a society in homogenous groups, but to compare persons with each other's or brands. With help of Semiometrie a supplier can prove for example, if a testimonial suits his target group (Förster, 2009). However there are not identified groups but just fields of values. Moreover social trends and consumption preferences and lifestyles of consumers are not considered.

5.2.8 Spiegel-Study Outfit

The Outfit-Study by Spiegel is based on a survey of approximately 10.000 German woman in the age of 14 to 64 years and is seen as greatest, representative data collection for German Fashion-, Shoe-, Accessories and lifestyle-market. Psychographic Criteria, to form segments, are the importance of the own outward appearance, the preferred dress style as well as attitude to fashion, clothes, brands, accessories and jewelry. Besides these active criteria there are also considered passive criteria to describe the identified segments. Amongst them are socio-demographic, different psychographic and behavioristic characteristics. By cluster analysis one can identify 7 different Types of women, who vary in attitude and behavior referring to fashion (Scharf et al., 2012).

The figure below shows some results by Spiegel Outfit Study 8.0.

Spiegel Outfit Studie 8.0






		Bevölkerung 14-69 Jahre	Geschlecht	
				
Bekanntheit Kleidungsmarken		%	%	%
MUSTANG		94,8	93,8	95,5
TOMMY HILFIGER		91,3	89,3	93,6
PEPE JEANS		54,4	47,6	61,9
Kaufbereitschaft Kleidungsmarken	€			
MUSTANG		70,7	72,8	68,3
TOMMY HILFIGER		66,7	69,2	64,1
PEPE JEANS		35,0	28,8	41,8
Besitz Kleidungsmarken				
MUSTANG		39,5	44,8	33,8
TOMMY HILFIGER		37,4	42,6	31,7
PEPE JEANS		11,9	10,1	13,9

Figure 10: Spiegel Outfit Studie 8.0

Adapted from: ("Spiegel Outfit Studie 8.0.pdf_199.undefiend," n.d.)

5.3 A priori segmentation analysis

5.3.1 Discriminant analysis

Discriminant and cluster analysis procedures have been prominent in segmentation research. Clusters are as described e.g. the Sinus-Typology.

In prototypical segmentation research the decision whether using discriminant or cluster analysis depends on whether the basis for segmentation is known in advance (a priori segmentation analysis) or is defined after the fact by clustering respondents on the basis of a set of relevant characteristics (post hoc segmentation analysis) (Dillon & Mulani, 1989).

There are several Definitions of Discriminant analysis. Braunschweiger et al. say

“...The discriminant analysis is a multivariate method for analyzing Group or class differences. With this method it is possible, two or more groups, taking into account several variables to investigate and to determine how these groups differ. In contrast to the cluster analysis, the discriminant analysis is not explorative, but an affirmative process. By discriminant analysis no groups are formed, but it is based on an existing arrangement in groups and checks the quality of this grouping...” (Braunschweiger, Schmidt, & Spaltenberger, n.d.).

The basic idea underlying discriminant function analysis is to determine whether groups differ with regard to the mean of a variable, and then to use that variable to predict group membership (e.g., of new cases).

5.3.2 Conjoint analysis

Conjoint analysis is based on some considerations as Dietz (2007) says:

- Every product consists of several product characteristic
- The occurrences of the characteristics build a part-worth for total-utility
- Consumers prefer products with higher total-utility and allocate them a higher preference in ranking.

Today conjoint measurement is one of the most efficient and relevant instruments to measure preferences and stimulation and purchase decision.

According to Dietz (2007, p. 2), consumer preferences are investigated based on holistic product evaluation. The test persons judge given product bundles from minimum two systematically combined characteristics. Afterwards, the data are evaluated by help of mathematical procedures. Value of benefits are gained for each characteristic of the product. It is assumed, that total-utility of a product consist of several part-worths. With this procedural method the conjoint-analysis corresponds to the actual process of evaluation in a situation of purchase, where the consumer is confronted with a holistic product (Dietz, 2007).

Conjoint Analysis is a technique developed since the 1970s that allows businesses to work out and quantify the hidden rules people use to make trade-offs between different products and services and to quantify the values they place on different features

or component parts of the offer. By understanding precisely how people make decisions and what they value in your products and services, you can work out the sweet spot or optimum level of features and services that balance value to the customer against cost to the company and forecast potential demand or market share in a competitive market situation.

In CA, respondents indicate their preference for a series of hypothetical multi-attribute alternatives, which are typically displayed as stimuli or profiles of attributes. Each attribute is formed by a series of levels that constitute the practical definition of said attributes. The data collection method most commonly used in conjoint analysis experiments is the full profile method. It consists of separately describing each stimulus or profile by means of a card that includes level combinations of each attribute. The interviewed person must organize or evaluate all the profiles resulting from the attribute-level combinations. The descriptions carried out with the full profile method are much more relevant for the objectives pursued with the conjoint analysis since a complete description of the product or service is given to the interviewed person. The main advantage of this method is that it enables a more realistic vision of the analyzed problem since it simultaneously deals with the attribute features of the product or service. Notwithstanding, there is a major drawback. As the number of attributes and/or level number increases, the possibility of an information overload is also greater. In this case, the interviewed person may be tempted to simplify the evaluation process by focusing on only a few attributes, when this methodology requires the simultaneous consideration of all the attributes (Ramirez-Hurtado, 2010).

A benefit of conjoint analysis is, that it is possible to show how a consumer makes his decisions when buying a product, which characteristics of a product he/she considers. Moreover with these Model it is even possible to map, explain, influent and forecast buying decisions.

Dobny explains the principles of the method in short:

The principles behind conjoint analysis start with breaking a product or service down into it's constituent parts (called attributes and levels - see the section on how to design a conjoint analysis study) then to test combinations of these parts in order to find out what customers prefer. By designing the study appropriately

using carefully chosen statistical designs (also known as experimental designs) it is then possible to use statistical analysis to work out the value, or utility score, of each part of the product or service in terms of its contribution to the customer's decision ("Conjoint Analysis - introduction and principles," n.d.).

For example a dress may be described in terms of *attributes* such as color, textile, and cut. Each of these attributes is broken down into *levels* - for instance levels of the attribute for textile may be silk, cotton, wool etc.

These attributes and levels can be used to define different products by choosing different levels for different products so the first stage in conjoint analysis is to create a set of *product profiles* (possible combinations of attributes and levels) to produce a set of options from which customers or respondents are then asked to choose - known as choice sets. Obviously, the number of potential profiles increases rapidly for every new attribute added as the number of possible combinations increases, so there are techniques to simplify both the number of profiles to be tested and the way in which preferences are tested so that the maximum amount of choice information can be collected from the smallest set of choice tasks. Different type or flavors of conjoint analysis such as choice-based conjoint (CBC), full-profile, adaptive conjoint analysis (ACA), menu-based conjoint, adaptive choice based conjoint, and other approaches have different ways to manage the balance between the number of attributes that can be included and the relative complexity of the choices that need to be shown in order to get good quality data.

After the choice tasks have been completed, a range of statistical tools can be used to analyze which items customers choose or prefer from the product profiles offered in order to quantify both what is driving the preference from the attributes and levels shown, but more importantly, give an implicit numerical valuation for each attribute and level - known as utilities or part-worths and importance scores. These utilities give a measurement of value for each level in terms of its contribution to the choices that were made and so shows the relative value of one level against another.

The result is a detailed quantified picture of how customers make decisions, and a set of data that can be used to build market models which can predict preferences or estimate market share in new market conditions in order to

forecast the impact of product or service changes on the market. For businesses this allows them to see where and how they can gain the greatest improvements over their competitors, where they can add value for the customer, how price impacts on decisions and so forecast demand and revenue. Not surprisingly conjoint analysis has become a key tool in building and developing market strategies ("Conjoint Analysis - introduction and principles," n.d.).

6 Behavior as an instrument for lifestyle segmentation

As it was described in chapter 4 lifestyle is an instrument how to segment consumers psychographically.

This concept is not as important as the A.I.O. approach. According to Kesting and Rennhak (2008) this concept is based on the assumption, that consumption behavior and personality represent the lifestyle of consumers.

Meaning, behavior patterns are also an opportunity to form groups. There exist extent and strength correlations between people's attitudes and values, and their behavior patterns as buyers. As Middleton et al. say, "...related to demographic characteristics and stages in the life cycle, the links between attitudes, perceptions and actual buyer behavior, combine to determine the lifestyle which individuals adopt..." (Middleton, Fyall, & Morgan, 2009, p. 111). Biological research about behavior deals with the issue how psychological and physiological parameters control individual behavior. Basic aim in consumer behavior research is to analyze relevant determinants which influence the behavior of consumers. To explain behavior lots of theories were developed. There are two different categories of models: behavioristic models (Stimulus-Response-Model) and Black-Box-Models. Psychological processes (e.g. recognition and handling of information of information such as price or packaging) are not considered.

Behavioristic Criteria are products, communication, price and point of purchase.

Product segmentation is based on features as type of product, brand, intensity of consumption and loyalty to brands. With the choice of product a consumer shows if he/she is a relevant buyer or not-buyer. With the aid of intensity of consumption consumers can be clustered in non-buyers and much-buyer (Kesting & Rennhak, 2008).

Segmentation based on communication refers to the consumer's behavior according to using media. Research of consumer behavior analysts collect sort and number of used media and the intensity of usage (Kesting & Rennhak, 2008).

"...The following are commonly applied behavioral segments:

Occasions:	Groups individuals according to the occasions when they purchase, use or think of buying a product.
Benefits Sought:	Groups individuals according to the benefits they seek from the product.
Usage Rate:	Groups individuals according to the level of usage they make of the product, be it Heavy, Medium or Light usage.
User Status:	Groups individuals according to whether they are non-users, potential users, first-time users, regular users, or ex-users of a product
Loyalty Status:	Groups individuals according to their level of loyalty to the product. 'Hard core loyals' always purchase the product / brand in question. Whilst 'Soft core loyals' will sometimes purchase another brand, and 'Switchers' will not specifically seek out a particular brand, but rather purchase the brand available to them at time of need, or that which was on sale.
Buyer Readiness Stage:	Groups individuals according to their readiness to purchase the product. This segmentation model is particularly useful in formulating and monitoring the marketing communication strategies employed to move consumers towards purchase of a product or brand..." ("Study Room - Business - Marketing - Analysing the market - Behavioural Segmentation," n.d.)

7 Discussion

Because there are small discussions after each presented segmentation method outlining the benefits and weaknesses of each method, this final discussion is just to give an overall interpretation of the results.

The research shows, that there are various approaches how to segment consumers on basis of their lifestyle. As one can see in the amount of literature to this topic, it is very relevant in the world of marketing.

Compared to demographic segmentation methods there is a clear benefit of psychographic methods: first, they also include criteria such as age, gender but also consider factors which are not visible but influence consumers behavior enormously. To sum up: every lifestyle segmentation method that is explained above, is useful. As it can be seen in the fact, that every method is used by companies in reality to segment their consumers.

The goal for this work – to gain an overview of existing lifestyle segmentation methods, which are used, is reached. But it is to admit, for the Discriminant and Conjoint Analysis, for example, there is no concrete instruction given, how it is performed. This would go beyond the scope of this review. However there is information given, where further reading can be found.

8 Conclusion and Implications

The Research questions in the beginning of this paper were: Which classical methods do exist to segment markets with the aid of lifestyle? How do they differ? What are their benefits and weaknesses? With the research that was done in databases and literature all the questions could be answered.

Although it is obvious that in the literature there is dominance of demographic and psychographic factors for segmentation and critically observed that there is great influence of extraneous variables as price, trends, and market conditions on the purchase of the consumers.

However, as expected: Lifestyle segmentation is useful because it provides a unique and important view of the market. It begins with the people, their life styles and motivations, and then determines how various marketing factors fit into their lives. This perspective often provides fresh insights into the market and gives a more three-dimensional view of the target consumers.

But as any concept of research technique attempting to predict behavior bears its limitations, the life style approach is no exception. But as an organizational concept drawing on the theories of many disciplines, lifestyle is still earning increasing acceptance. It is at least a means through which academic and business resources have found some compatibility in tracking the exclusive consumer.

However the method by asking consumers to make complex ratings of items included multiple-choice questions are usual methods of measurement, but are now enhanced by the availability of software programs to assess the results and identify respondents by clusters of associated attitudes. With that along comes that there are new methods of measuring.

9 Limitations

The selection of segmentation techniques has become more important due to the fact that the developments in information and communication technologies, especially database management systems and data mining have changed the way of marketing. The vast availability of data and the inefficient performance of traditional statistical techniques on such voluminous data have stimulated researchers to find effective segmentation tools in order to discover useful information about their markets and customers. Marketing researchers are interested in the application of these technologies in marketing-related problems, such as forecasting, segmentation, knowledge-based marketing decision support systems, and so forth, especially in the frame of DM.

Soft computing, as a family of data mining techniques, has been recently started to be exploited in the area of segmentation and it stands out as a potential area that may be able to shape the future of segmentation research. The significant usage of soft computing techniques in business-related problems, particularly in segmentation, makes segmentation problems more attractive, since these techniques are very effective and applicable.

Means also that classic consumer segmentation methods, as described, become less relevant and are not further studied.

However it is possible that the problem is based upon research limitation. Many companies do not publish their marketing strategy because once a successful strategy is developed it is a value added and must be protected.

Furthermore the exit to various relevant publications on databases is often refused for public or only given for money.

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Appendix

Search Term	Hits Google	Hit Business Source complete via EBSCO Host	Hits sciencedirect
Activities, interests, opinions	5730	3	19
Consumer segmentation	20.900.000	619	15.561
Lifestyle segmentation	671.000	91	4.891
Market segmentation	4.8300.000	33.459	23.120
Segmentation instruments	11.500.000	14	21.492
Segmentation methods	20.600.000	986	113.122
Traditional lifestyle segmentation	390.000	2	2.696